



August 25, 2004

The Honorable John D. Dingell
Ranking Member, Committee on Energy and Commerce
U.S. House of Representatives

Dear Representative Dingell,

The Children's Defense Fund strongly supports the Children's Health Improvement and Protection (CHIP) Act, S. 2759/H.R. 4936.

If Congress does not take action, an estimated \$1 billion in State Children's Health Insurance Program (SCHIP) funds from prior years will expire on September 30, 2004. States need these funds to maintain and expand SCHIP coverage of children in low-income working families. In fiscal year (FY) 2003, states provided health care to 5.8 million children through SCHIP.

The CHIP Act, which has been endorsed by the National Governors Association, would keep all SCHIP funds in the program and available to states through FY 2007, when the program will need to be reauthorized by Congress. The proposal builds on last year's SCHIP legislation, which was unanimously approved by Congress, by allowing states with expiring funds to retain a portion while redistributing the remainder to the states most in need of that funding to preserve coverage.

All told, the CHIP Act would make approximately \$1 billion in additional SCHIP funds available to states in FY 2005, an additional \$900 million available in FY 2006 and an additional \$850 million available in FY 2007, relative to current law. Virtually all states would have more SCHIP funding available under the proposal.

Given the short legislative calendar this year, Congress should act on this bill as soon as the session resumes in September. We look forward to working with you to enact this critically important legislation. Thank you for your leadership.

Sincerely,

A handwritten signature in black ink, appearing to read "Emil Parker", is written over a horizontal line.

Emil Parker
Director of Health
Children's Defense Fund